



### Developing Housing Through Cooperatives

Białystok, Bielsko-Biala, Cieszyn, Gdynia, Hajnowka, Jastrzebie-Zdroj, Nowy Dwor, Rybnik, Szczecin, and Zory, Poland

#### Background

The advent of democratization and economic reform in Poland shifted responsibility for housing from central authorities to newly-elected local governments. Faced with critical housing shortages, local governments looked for effective methods to stimulate the private housing delivery system. Housing cooperatives in Poland were historically huge organizations with several thousand members. Because of the large size of cooperatives, their members lost control in the cooperative decision-making process and, consequently, lost interest in participating in the process. After the fall of communism, the original concept of cooperative housing was revisited as a source for private housing development.

#### Innovation

Small, privately initiated cooperatives in the Cities of Białystok (population 300,000) and Zory (population 30,000) have demonstrated the viability of democratic, cooperative housing development in a market economy. The housing cooperatives negotiated with city officials and purchased municipally-owned land, prepared cash flow analyses and feasibility studies for their construction projects, and obtained the necessary financing. A step-by-step manual entitled "Democratic Cooperative Housing Development: Procedural Manual for Poland" was developed based on this experience. Subsequently, ten non-governmental organizations—Agencies to Support Housing Initiatives (AIMs)—were established to support the cooperative housing movement and to effectively address housing issues on the local level. During an 18-month period, local agencies were trained and guided in the organization of small, democratically run cooperatives that would develop new housing for their members. The AIMs, which are situated in Białystok, Bielsko-Biala, Cieszyn, Gdynia, Hajnowka, Jastrzebie-Zdroj, Nowy Dwor, Rybnik, Szczecin, and Zory, have become the coordinators, as well as providers, of technical assistance, for both the public and private sectors in housing development.

#### Results

The housing cooperatives in Zory and Białystok completed construction of 132 new housing units. In the cities replicating the innovation, ten NGOs were established, and construction of over 180 units has begun. A total of 475 housing units, in the form of townhouses or small apartment buildings, are slated for construction in the next year. Most importantly, a replicable model of developing small democratic housing cooperatives was established. Local government officials from the Czech Republic, Hungary, and Lithuania have expressed a desire to implement similar practices. With adjustments for the legal differences between countries, the model can be easily transferred to other CEE and NIS countries.

#### Summary

To stimulate the private housing delivery system, the Cities of Białystok and Zory worked with private housing cooperatives that make decisions democratically, enabling them to purchase and develop land for residential housing that responds to the needs of their members. The housing cooperatives in Zory and Białystok completed construction of 132 new housing units. In the cities replicating the innovation, ten self-sustaining NGOs were created, and construction of over 180 units has begun.

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